

Message Text

LIMITED OFFICIAL USE

PAGE 01 EC BRU 05319 01 OF 02 182227Z

71

ACTION EUR-25

INFO OCT-01 ISO-00 AID-20 CEA-02 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 CIEP-02 SPC-03 STR-08

TRSE-00 LAB-06 SIL-01 OMB-01 MC-02 NSC-10 SS-15 IO-13

DRC-01 /134 W

----- 128032

R 181735Z SEP 73

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 5741

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS UNN

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION GENEVA

USMISSION OECD PARIS UNN

AMEMBASSY LUXEMBOURG

LIMITED OFFICIAL USE SECTION 1 OF 2 EC BRUSSELS 5319

E.O. 11652 NA

TAGS: EGEN, EIND, EEC, ETEL

SUBJ: EC DRAFT MEMORANDUM ON COMPUTER POLICY

REF: A) BRUSSELS 4484

B) STATE 146948

1. SUMMARY. MISSION OFFICERS MET ON SEPT. 13 WITH
RONALD GRIERSON, EC COMMISSION DIRECTOR GENERAL FOR
INDUSTRIAL POLICY, TO EXPRESS US CONCERN OVER THE
PROPOSED EC COMPUTER PAPER (REFTELS). GRIERSON'S
MAIN RESPONSE WAS THAT THE FINAL VERSION OF THE PAPER MAY
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 EC BRU 05319 01 OF 02 182227Z

NOT BE AS BAD AS IT HAS BEEN DESCRIBED IN THE PRESS

AND IT WAS THE NATIONAL GOVERNMENTS WHICH WOULD MAKE THE FINAL DECISION. HE SAID THAT HE WOULD RESIST "CHAUVINISTIC" ASPECTS OF THE POLICY AND PARTICULARLY THE DISTINCTION BETWEEN EUROPEAN AND FOREIGN-BASED COMPANIES. DEPENDING ON THE AGENDA GRIERSON SAID THAT HE MIGHT ATTEND THE SOAMES-CASEY TALKS IN WASHINGTON TO DISCUSS INDUSTRIAL POLICY QUESTIONS OF MUTUAL INTEREST INCLUDING COMPUTERS. (THE TALKS ARE TENTATIVELY SCHEDULED FOR OCT 30-31.) WHETHER DURING THE SOAMES-CASEY TALKS OR SEPARATELY, THE MISSION WISHES TO REITERATE ITS RECOMMENDATION (REFTEL A) FOR COMPREHENSIVE CONSULTATIONS BETWEEN THE US AND THE EC ON INDUSTRIAL POLICY QUESTIONS THIS FALL. THE DEPARTMENT MAY ALSO WISH TO CONSIDER INFORMAL APPROACHES TO EC MEMBER GOVERNMENTS ON THE COMPUTER QUESTION EVEN PRIOR TO THE EC COMMISSION'S FORMAL TRANSMITTAL OF A PROPOSAL TO THE COUNCIL WHICH IS LIKELY IN LATE OCTOBER. END SUMMARY.

2. MISSION OFFICERS MET ON SEPT. 13 WITH RONALD GRIERSON, EC COMMISSION DIRECTOR GENERAL FOR INDUSTRIAL POLICY, AND ROGER LEWIS, HIS ASSISTANT, TO EXPRESS US CONCERN OVER THE PROPOSED COMPUTER POLICY. AS INSTRUCTED IN REFTEL B WE TOLD GRIERSON THE PROPOSED EC COMPUTER POLICY WAS OF CONTINUING INTEREST TO US FOR FAIRLY OBVIOUS REASONS AND THAT, ON THE BASIS OF EXTENSIVE PRESS REPORTS, IT GAVE US SERIOUS CONCERN. WE POINTED OUT THAT METHODS REPORTEDLY BEING PROPOSED FOR THE DEVELOPMENT OF AN INDIGENOUS EUROPEAN COMPUTER INDUSTRY-- SUCH AS DISCRIMINATORY GOVERNMENT PROCUREMENT, GOVERNMENT SUBSIDIES AND EXCLUSIVE EC STANDARDS--WERE OBJECTIONABLE FOR THE REASONS STATED IN REFTEL B. WE NOTED THAT SUCH A POLICY, IF ADOPTED, WOULD REPRESENT A MOVEMENT AWAY FROM TRADE AND INVESTMENT LIBERALIZATION POLICIES WHICH HAVE BEEN THE GOAL OF US-EC ECONOMIC RELATIONS.

3. GRIERSON REPLIED THAT ONE SHOULD NOT ASSUME THAT EVERYTHING IN THE PAPERS IS ACCURATE NOR THAT WHAT COMES OUT OF THE COMMISSION WILL BECOME EC POLICY. HE SAID THAT ALTHOUGH THERE ARE MANY IN THE COMMUNITY WHO BELIEVE THAT THE COMMISSION COULD AND SHOULD MAKE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 EC BRU 05319 01 OF 02 182227Z

INDUSTRIAL POLICY, IT IS ONLY THE NATIONAL GOVERNMENTS THAT HAVE THE POWER IN THIS FIELD AND COMPLAINTS MIGHT THEREFORE ALSO BE REGISTERED IN CAPITALS. WE SUGGESTED THAT ALTHOUGH A COMMISSION PROPOSAL MAY ULTIMATELY FAIL TO BE ADOPTED BY THE COUNCIL, THE PROPOSAL AND THE PUBLICITY ASSOCIATED WITH IT MIGHT AROUSE SERIOUS CONCERN AMONG COMPANIES AND MIGHT CREATE POLITICAL PROBLEMS FOR GOVERNMENTS. GRIERSON RESPONDED THAT NATIONALISTIC

POLICIES IN THE COMPUTER FIELD ARE ALREADY IN EXISTENCE IN FRANCE, THE UK AND GERMANY, AND THE OBJECTIONS OF THE US MIGHT IN THE FIRST INSTANCE BE DIRECTED AT THE DISCRIMINATORY POLICIES OF THOSE GOVERNMENTS. WE REJOINED THAT OBJECTIONS WE MIGHT HAVE TO CERTAIN MEMBER STATE PRACTICES WOULD BE MULTIPLIED BY A SIGNIFICANT FACTOR SHOULD THERE BE A COMMUNITY-WIDE COMPUTER POLICY EMBODYING DISCRIMINATION OR UNFAIR SUBSIDIES.

4. GRIERSON ADMITTED THAT THERE IS A PARTICULARLY STRONG FEELING IN THE COMMISSION THAT THE COMPUTER INDUSTRY IS SPECIAL AND THAT EFFORTS ALREADY BEING MADE BY NATIONAL GOVERNMENTS TO DEVELOP THEIR INDUSTRY SHOULD BE COORDINATED AT THE COMMUNITY LEVEL. HE SAID THAT IN COMPUTERS, AS IN OTHER AREAS, IS RESISTING "CHAUVINISTIC" MEASURES IN THE COMMISSION'S PROPOSALS BUT THERE IS A LIMIT TO THE EXTENT TO WHICH HE CAN USE THE "RED PENCIL". AS HE SEES IT, THE FINAL COMMISSION PROPOSALS ON COMPUTERS WILL BE A KIND OF "MANIFESTO" CALLING FOR EUROPE TO DEVELOP ITS OWN COMPUTER INDUSTRY WHICH HE WILL TRY TO TONE DOWN. HE WENT ON TO ADD THAT THE PROPOSAL WILL CALL FOR MORE COORDINATION OF GOVERNMENT AID AND PROCUREMENT POLICIES. HE SAID HE WOULD STRONGLY RESIST ANY PROVISIONS MAKING DISTINCTIONS BETWEEN INDIGENOUS COMPANIES AND FOREIGN-BASED COMPANIES, A DISTINCTION IN VIOLATION OF ARTICLE 58 OF THE ROME TREATY.

5. GRIERSON CONCLUDED BY SAYING THAT WHATEVER CAME OUT OF THE EC COMMISSION WOULD BE A LONG WAY FROM WHAT GOVERNMENTS WOULD ACTUALLY ACCEPT AND INDUSTRIALISTS LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 EC BRU 05319 01 OF 02 182227Z

SHOULD KEEP THEIR COOL. HE BELIEVED THAT IF POLICIES WOULD BE ADOPTED THAT WERE ILLEGAL, FOR EXAMPLE, UNDER ARTICLE 58, COMPANIES SHOULD NOT BE

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 EC BRU 05319 02 OF 02 182150Z

71

ACTION EUR-25

INFO OCT-01 IO-13 ISO-00 AID-20 CEA-02 CIAE-00 COME-00

EB-11 FRB-02 INR-10 NSAE-00 RSC-01 CIEP-02 SPC-03

STR-08 TRSE-00 LAB-06 SIL-01 OMB-01 MC-02 NSC-10

SS-15 DRC-01 /134 W

----- 127754

R 181735Z SEP 73

FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC 5742

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS UNN

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY THE HAGUE

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY ROME

USMISSION GENEVA

USMISSION OECD PARIS UNN

AMEMBASSY LUXEMBOURG

LIMITED OFFICIAL USE SECTION 2 OF 2 EC BRUSSELS 5319

E.O. 11652 NA

TAGS: EGEN, EIND, EEC, ETEL

SUBJ: EC DRAFT MEMORANDUM ON COMPUTER POLICY

REF: A) EC BRUSSELS 4484

B) STATE 146948

SQUEAMISH BUT SHOULD GO RIGHT TO THE EUROPEAN COURT
AND CHALLENGE THEM. HIS ADVICE TO CORPORATE
EXECUTIVES WAS NOT TO GET EXCITED ABOUT SHRILL NOISES
THAT MIGHT COME FROM THE COMMISSION BUT RATHER TO
"WEAR EARPLUGS AND HAVE GOOD LAWYERS".
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 EC BRU 05319 02 OF 02 182150Z

6. THE ABOVE DISCUSSION LED TO THE QUESTION OF
CONSULTATIONS BETWEEN THE US AND EC ON INDUSTRIAL
POLICY MATTERS. GRIERSON BELIEVED THAT THERE WAS A
NEED FOR SUCH TALKS AND SAID THAT HE HAD BEEN PLANNING
TO COME TO THE UN IN OCTOBER OR NOVEMBER AND WAS GOING

TO TAKE ADVANTAGE OF THE OCCASION TO SPEAK BEFORE A US BUSINESS GROUP. DEPENDING ON THE AGENDA HE MIGHT ACCOMPANY SOAMES FOR THE SOAMES-CASEY TALKS TENTATIVELY SCHEDULED FOR OCTOBER 30-31. HE SAID HE COULD ALSO SPEND A DAY OR TWO BEFORE OR AFTER THE OFFICIAL US-EC CONSULTATIONS TO DISCUSS INDUSTRIAL POLICY QUESTIONS WITH US OFFICIALS AND THE PRIVATE SECTOR.

7. COMMENT. THE INDEPENDENT ROLE GRIERSON HAS ATTRIBUTED TO HIMSELF (SEE USEC A-282, JULY 25, 1973) WAS STRESSED THROUGHOUT THE MEETING. HE DESCRIBED HIS JOB AS ONE OF CONSTANTLY KEEPING HIS FOOT ON THE BRAKES SO THAT (A) THE COMMISSION'S STATEMENTS ON INDUSTRIAL POLICY ARE NOT UNNECESSARILY PROVOCATIVE AND (B) THE POLICIES RECOMMENDED ARE IN ACCORD WITH INDUSTRIAL AND POLITICAL REALITIES. IN ESSENCE, GRIERSON SEEMED TO BE PREDICTING THAT THE COMMISSION'S PROPOSAL ON COMPUTERS WILL CONTAIN SOME PHILOSOPHY AND SPECIFICS THAT THE US WILL NOT LIKE BUT THAT IT WILL NOT BE AS BAD AS THE PRELIMINARY VERSION. HE ALSO PREDICTS THAT IMPLEMENTATION OF THE PROPOSAL WILL BE SLOW AT BEST. THE MISSION WILL CONTINUE TO SEE APPROPRIATE EC OFFICIALS TO EXPRESS US CONCERN ON THIS SUBJECT. THE DEPARTMENT MAY ALSO WISH TO CONSIDER INFORMAL APPROACHES TO EC MEMBER GOVERNMENTS ON THE COMPUTER QUESTION EVEN IN ADVANCE OF THE EC COMMISSION'S FORMAL TRANSMITTAL OF A PROPOSAL TO THE COUNCIL WHICH IS LIKELY TO BE IN LATE OCTOBER. WE ALSO WISH TO REITERATE OUR RECOMMENDATION (REFTEL A) FOR COMPREHENSIVE CONSULTATIONS BETWEEN THE US AND THE EC ON INDUSTRIAL POLICY QUESTIONS THIS FALL WHETHER AS PART OF THE SOAMES-CASEY MEETINGS OR SEPARATELY. GREENWALD

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AGREEMENT DRAFT, TRADE, TRADE LAW, COMPUTERS
Control Number: n/a
Copy: SINGLE
Draft Date: 18 SEP 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973ECBRU05319
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: EC BRUSSELS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730928/aaaaaujl.tel
Line Count: 255
Locator: TEXT ON-LINE
Office: ACTION EUR
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators:
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: A) BRUSSELS 4484
Review Action: RELEASED, APPROVED
Review Authority: garlanwa
Review Comment: n/a
Review Content Flags:
Review Date: 06 SEP 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <06-Sep-2001 by elyme>; APPROVED <05-Nov-2001 by garlanwa>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: EC DRAFT MEMORANDUM ON COMPUTER POLICY
TAGS: EGEN, EIND, ETEL, EEC
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005